COMPUTER DECISIONS

THE MANAGEMENT MAGAZINE OF COMPUTING

VOLUME 11 NUMBER 12 DECEMBER 1979

12 Salary survey: How do you stack up? / Jan Snyders
This unique study's results will give you new insight into how your career achievements and future prospects compare with other dp managers.

20 A painless boost in productivity / Martin Lasden
The office OCR—guardian of the status quo or herald of the future?

32 Cover contest / *Win a valuable prize*

34 High-capacity disk and tape drives are coming / David Whieldon
Mass storage is more available and getting cheaper.

47 Electronic Mail: Will you love it or hate it? / Martin Lasden
Depending on your personality and position, you may love store-and-forward electronic messaging or hate it. In the meanwhile, there's lovable old dependable Telex and fax.

61 Editorial Index / *COMPUTER DECISIONS 1979 Annual index of articles*

4 Insight / *New dollars for the Post Office*

6 Snyders on Software / *Are there any programmers in your future?*

10 News & Comment/ *IBM back in services?*

66 Spotlight / *Financial software package*

67 Office Automation / *New memory typewriter*

68 Peripherals / *VAX-11/780 add-in memory*

70 Software / *Management system for V77-600/800 minis*

72 Data Communications / *Voice/data modem set*

73 Advertisers' Index

74 EDP & Software Supermarket

75 Accessories / *Fiche file*

Cover: *Illustrated by Bob Calleja*

Headquarters Office:
50 Essex St.
Rochelle Pk., NJ 07662
(201) 843-0550

Western Office:
1307 So. Mary Ave.
Sunnyvale, CA 94087
(408) 736-6667

Midwestern Office:
P. O. Box 187
Lockport, IL 60441
(815) 838-5280

Publisher/Vice President:
Don Huber

Editor:
Mel Mandell

Managing Editor:
Dale Rhodabarger

Associate Editor:
David Whieldon

Midwestern Editor:
Jan Snyders

Western Editor:
Martin Lasden

Assistant Editor:
Madeline Orsini

Copy Editor:
Mary Miles

Contributing Editors:
Roy N. Freed (computer law)
Larry Sandek

Editorial Assistant:
Virginia Johnson

Art Director:
Viola Kaps

COMPUTER DECISIONS is published monthly by Hayden Publishing Co., Inc., 50 Essex St., Rochelle Park, NJ 07662, (201) 843-0550. James S. Mulholland, Jr. President and Treasurer, and Philomena DiMeo, Secretary. Printed at Brown Printing Co. Inc. All rights reserved. Controlled circulation postage paid at Waseca, MN (USPS 771-040). New Subscriptions: COMPUTER DECISIONS is issued free of charge to qualified executives with active professional and functional responsibility in organizations that use computers and computer based services and among computer manufacturers. Please fill out completely the Subscriber Qualification Form in the magazine. The publisher reserves the right to reject nonqualified requests. Subscription Rates: Qualified subscribers in the U.S. Free; Non-qualified in the U.S., Canada, Mexico, and Central America $26. Single copies $2.50. All other countries $35. Single copies $3.50. Limited quota of subscriptions available for persons outside the field served. Change of Address: Fill out completely the Subscriber Qualification Form in the magazine being sure to attach old mailing label in the space provided. Send correspondance with regard to editorial matters to address listed above. Address all correspondence to: COMPUTER DECISIONS, P.O. Box 13802, Philadelphia, PA 19101. POSTMASTER, please send Form 3759 to Fulfillment Manager, COMPUTER DECISIONS, P.O. Box 13802, Philadelphia, PA 19101.

Copyright® 1979 Hayden Publishing Co. Inc. All rights reserved.

Salary survey: How do you stack up?

This unique study's results will give you new insight into how your career achievements and aspirations compare with those of other computer-involved executives.

by Jan Snyders,
Midwestern Editor

Part I

There is no such person as an "average" computer-involved executive.

This first COMPUTER DECISIONS salary survey revealed enormous variations in salary, title, expectations, how great an increase it would take to encourage a move, number of employes supervised, etc. Here are some of the highlights of the survey:

- The median salary was about $28,000, but actual salaries ranged from $87,000 down to $5,520 (for the "business administrator of a Christian fellowship" who took an $8,000 cut in pay).
- The most popular "peak salary expected" was $50,000, but the highest was $630,000.
- The vast majority of respondents are "happy" with their present positions, but the degree of happiness increases from east to west, even though salaries are generally higher in the east.
- As expected, salary rises with responsibility in terms of organizational dp budget and number of employes supervised, but the salary of the respondent responsible for the highest dp budget ($28 million) fell far short of the highest.
- Respondents who held three or more jobs in the past 10 years earned less than those who stayed put.
- Only a small number of respondents received direct compensation in terms of bonuses or cars in addition to salary (respondents were not asked about profit sharing or pensions).
- Raises received since the President instituted the 7 percent guideline late in 1978 exceeded the guideline for more than half of survey respondents.
- Those who work in rural areas or small towns or for county government or non-profit organizations are paid the least.

Does location make the difference?

John Babsone Lane Soule said it first: "Go West, young man." Sorting out responses by region, 99 percent of the west coast managers are happy with their position. One of the few unhappy respondents said that he was underpaid and overworked. Strangely enough, this person received a hefty 13.3-percent increase during the past nine months.

Basically, west coast managers fall into the normal range of salaries. The survey indicates that currently, the majority of dp executives earn between $20,000 and $29,000 annually. The west coast managers earn, on an average, $29,000. However, they do have more responsibility since the average number of employes they

How this survey was conducted

Late in August questionnaires were mailed to 3,000 COMPUTER DECISIONS subscribers in the "data processing management" category. That category represents close to 50 percent of the 103,000 subscribers. By the time of the cutoff date for return of the completed questionnaire, 346 or 11.5 percent were returned. This is more than enough to make the results presented here statistically valid and projectable.

Because the service organization that mailed out the questionnaires neglected to include the self-addressed, no-postage-required return envelope with the first 2,000 mailed, the rate of returns was slightly lower than for the last 1,000 mailed. However, this mistake gave us an unexpected insight into those who responded: The great majority sent the questionnaire back in company envelopes, so we know what kind of organizations they work for and the locality. (The localities for the questionnaires that came back in the return envelopes was ascertained from the cancellations on the envelopes.)

If you bother to add up the number of respondents enumerated in the charts, you will find that it does not always equal 346. This is because, as expected, all respondents did not necessarily answer every question.

supervise is 29, which is much higher than the national norm of 1 to 10 employes.

Although most west coasters are happy with their present position, they could be tempted to move on to other positions by money—on average it would take about $7,000 to interest them. But many said flatly that they wouldn't move for money alone. A California dp manager who moved five months ago says that even though he got an $8,000 increase, "money was not the issue; challenge and responsibility were." A director of systems went even further in putting job conditions ahead of money. He said, "I moved to my present position in spite of a salary cut and drastic cuts in benefits because it represented a real opportunity, more authority, recognition and responsibility."

The degree of contentment decreases as one moves eastward. Of managers in the mountain states, 95 percent are happy in their present position. As with the west coast managers, annual salaries are about normal, with an average of $28,000 annually. Another indication that money isn't everything is that in this region the unhappy managers reported increases of over 11 percent during the past year. On average, the managers have 18 employes working for them, with almost 50 percent of the respondents reporting more than 20 employes in their department.

Other views on the money-vs.-job-satisfaction issue from the mountain states include this statement by a director of academic computing: "If I wanted more money I would get out of education. Right now I find a great deal of satisfaction in higher education and have no plans to leave." Although several managers stated that money is not important and they would not move, on average $20,000 more would put them in a different organization. However, unhappy managers would be willing to move for their present salaries or even take a cut in salary if the position is right.

Moving eastward to the central states, 93 percent of the managers are happy with their present position: Many of them feel that an increase in salary alone would not be an incentive to move. Respondents appear to be more interested in career-path growth than money. In addition, fringe benefits play an important role in a decision to move from

Some were happy...

"If I am happy in my job, money alone will not move me."
Dp manager with a New England retailing operation; now makes $20,700.

•

"My position is to start an MIS program in a $120-million-in-annual-sales company in the dp dark ages. As such, am more a 'builder' than an administrator. Salary ($38,500) is low for the intense demands, but if successful in two or three years should be worth it."
Director of information systems with midwestern construction company.

•

"The salary that would make me move ($35,000) is only if I went to a similar area. If the position was in a metropolitan area, I wouldn't move for less than $50,000."
Director of systems and programming with an insurance carrier; now makes $24,300 and is "happy" with his job.

•

"I went from $6,200 as a junior programmer to $45,000 today while changing jobs only once. I do not have a college education."
Director of MIS for a retailing operation; got a $15,000 raise with his recent promotion.

•

"I have additional compensation such as car allowance, traveling expenses and vacations. These are becoming a major factor in compensation at high levels."
Director of information systems with a health-care organization in Pennsylvania; now earns $46,900.

•

"Money is not the prime motivator."
Director of MIS with a southern service bureau; makes $87,000, is "happy" but would move for $100,000.

•

"I'm not sure that salary increase alone would tempt me to leave."
Manager of dp technical services with a midwestern manufacturer; now makes $36,000, is "happy" and indicates that it would take $55,000 to get him to move.

•

"In 1969 I was making $9,000. In the past ten years my salary has quadrupled. Has it kept up with inflation?"
Dp manager with a construction firm.

•

"The reason I expect my peak income to increase so dramatically is that I eventually expect to become the CEO of my organization."
Dp manager with a midwestern garment manufacturer; indicated "$200,000" as his hoped-for peak; he now makes $31,860.

•

"I would not move at all based on salary alone. The position would direct my decision."
Dp manager with a midwestern industrial supply outfit; now makes $30,000. Ten years ago as a programmer trainee he started at $9,200.

one position to another. On the average, these managers are earning about $27,000. One manager is only making $10,500 increased from $9,300 but nevertheless is happy with the position. He works at a nonprofit organization.

The manager of data processing in the central states typically has 15 employes working for him. (However, one manager in an insurance company has a 400-employe department, and a food products manufacturing manager has a staff of 300.)

Attitudes toward changing positions in the central states are much the same as elsewhere. Anywhere from $10,000 to $20,000 additionally would entice most respondents in that region even though they are happy with their present position. However, one manager of systems would move for under $10,000 because, as he explained, "I developed a system that my company sold twice, banking $40,000. I feel that my current employer doesn't appreciate my contributions during the past five years." He's currently making $26,000.

A higher proportion of east coast managers are unhappy than those anywhere else. (But even here 88 percent of the respondents stated that they are happy with the position they hold.) This higher level of discontent is somewhat surprising, since average salaries in the region are much higher than those in the other areas of the country. They average over $32,000, and some have incentives such as travel expenses and cars.

A possible explanation for the higher incidence of dissatisfaction with jobs in spite of relatively high salaries in the east is suggested by a computer services manager at a hospital: "The impact of taxes on salary increases reduces them to a large degree," he said. "Only by not moving and protecting the shelter provided by a relatively low-cost mortgage can a person maintain living standards."

Despite the higher average of salaries in the region, it should be noted that there are local pockets where reimbursement is depressed. "Salaries in this area are much lower than in most other areas," said the edp manager for a small bank in northern Maine. His salary, at $17,700, is well below average. The director of dp for a major state agency in New England complained, "Since January 1974 my salary has gone up 17 percent, while inflation increased about 58 percent."

...and some weren't so happy

"I am underpaid, but I stay because of family roots, my age and flexible hours that enable me to operate a farm sideline."
Dp manager for a midwestern county government now earning $19,200.

•

"I am underpaid and overworked."
Computer operations manager with a West Coast services/software organization; makes $30,000.

•

"Since 1970 my real income has dropped about 30 percent due to inflation. However, I am more satisfied in management than I was in a technical role."
Manager of edp with light manufacturing company in North Carolina.

•

"In the past two years industry has once again jumped ahead of government pay scales. . .we can't compete anymore for highly qualified personnel."
Supervisory engineer with Department of Defense.

•

"For a government employe pay issues are rather difficult to negotiate."
Director of information resources at a naval facility; makes $30,000.

•

"Working for local government is frustrating."
Director of dp for a county in upstate New York.

•

"I am generally happy. . . .Unfortunately, dp is still under accounting and lacking departmental status, wages are somewhat depressed. . . .This is offset. . .by consulting fees from several companies."
Dp manager at resort hotel in the Rockies.

•

"I resent surveys based on input from mini or small computer users which influence my worth in the marketplace. We function with a 370/138."
Manager of dp with a manufacturer of printing presses; earns $35,000.

•

"Management must be made aware of the salary requirements of dp people. . . .Entire dp industry needs to be upgraded to proper salary levels."
Director of MIS with a New England manufacturer who earns $36,000.

•

"I am in Albuquerque, a low salary area, because of family reasons."
Manager of dp for a health-care organization; earns $25,000.

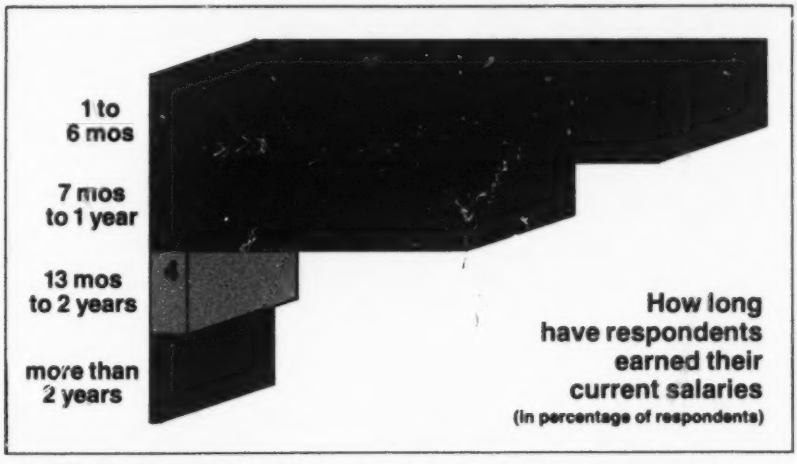
On what are salaries based?

What is the key to the salary? Is it position, the number of people supervised, type of industry, or can it be length of time in a position or company? Let's see how salaries relate to type of position.

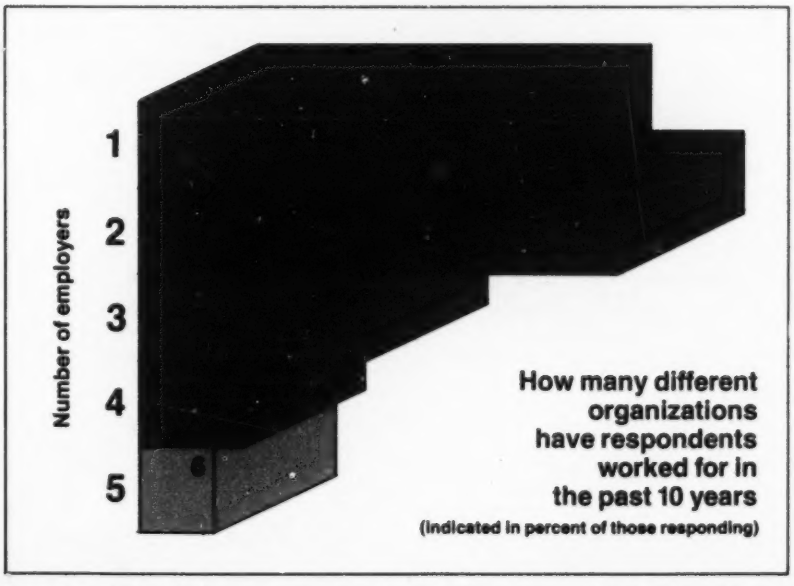
In our survey, two-thirds of the respondents are the top data-processing or information-handling executive in the organization. Holders of titles from assistant vice president to president earned salaries ranging from $22,000 (assistant vice president of information services for an insurance adjusting company) to $75,000 (president of a company in

transportation manufacturing). The overall average for this classification is $39,800. The highest salaries fall in the "president" category, where the lowest was $30,000 for the president of an east coast consulting and software service. Of course, there are vice presidents earning well over $50,000 in industries such as food product manufacturing, finance and transportation. Other titles at this level are controller, vice chancellor and treasurer.

The directors of MIS, information services, operations, etc. have salaries ranging from a low of $16,000 to a high of $87,000. Those in county government are at the low end of the scale, with salaries ranging from $16,000 to $26,000. Higher education pays a little higher, with a range of $29,000 to $39,000. Though some government employes complained about unfavorable pay scales, at least one of them (with the federal government) reported a salary of $47,500. Manufacturing, banking and insurance cover a wide range, starting at $26,000 for wholesale distribution to $63,000 for a cosmetic products manufacturer. The top of the scale is $87,000 for the director of MIS for a company that does information processing.


1 to 6 mos
7 mos to 1 year
13 mos to 2 years
more than 2 years
How long have respondents earned their current salaries
(In percentage of respondents)

Most dp executives—all but 5 percent, according to the survey—receive annual, or more frequent, salary increases, even though salaries are reputed to move up more slowly in data processing than in other fields.



Nearly a third of survey respondents have held the same jobs for a decade, and more than a third have switched jobs no more than once, despite the fact that dp personnel have a reputation for job-hopping. As the text of the article indicates, those who stayed in the same place appear to have been rewarded with somewhat higher salaries than the job-hoppers.

Managers are classified as edp manager, dp manager, operations manager, etc. In one case, an office manager ranked as the top dp person, supervising six people in the department and earning $12,200. The company is a small national firm performing floral wire services in the south central part of the country. On the other hand, an operations manager in a manufacturing company on the east coast earns $40,500. The upper range of salary, from $30,000 to $40,500, consists primarily of managers in manufacturing, construction and health care. Managers in the $20,000 to $30,000 range are employed in industries such as life insurance, government, wholesale distribution, retail and financial institutions. The under-$20,000 managers generally are those who work in county government, education, hotels/resorts, credit unions and the fast-food industry.

Do you have to be No. 1?

The fact that the manager of data processing, operations, systems, etc. is not the top dp or information-handling executive in the organization is not necessarily an indication that the salary is lower than that of other managers.

For instance, in an east coast service organization the top dp person is the president, and second in command is vice president of control systems; he earns $48,000 plus bonuses ranging from $6,000 to $10,000 and has a company car. The lowest-paid manager is a computer operations manager in a non-profit religious operation; he reports to the general secretary-treasurer and earns $10,500.

No less than 90 percent of the people managing the dp department are classified as managers, but report to executives such as vice president of information systems; director of systems; manager of systems, programming, and operations; or company vice presidents. Among them, the top wage earners work in government, insurance, health care and manufacturing. The group earning between $20,000 and $30,000 work in fields such as financial, retail, higher education, publishing and some in government. The lowest-paying groups are again education and religious organizations.

Salary and number of employes

There appears to be some correla-

tion between the number of employes in data processing and the salary of the executive. However, the highest-paid respondent ($87,000) has only 75 employes, while the corporate manager in a manufacturing company receives only $69,000 for supervising 600 people. In addition, there are 1,200 functional staff members under this manager's guidance.

Two of the lowest-paid managers have at least a few employes working for them. A computer operations manager earning $10,500 has two employes, and an office manager in charge of data processing supervises six employes and earns $12,200. In the salary range up to $20,000, an executive runs his department with no other employes and earns $15,520, while the manager of computer operations in a southeastern bank manages 17 employes and earns $17,000. The highest-paid manager in this salary range works for a photo finisher in the central states, earns $19,760 and supervises five employes.

Moving up the ladder, a dp manager for a construction/real estate operation in the southeast has no employes and earns $20,500, while the vice president of operations in a west coast bank manages 140 employes for $8,000 more. However, in this salary range, only 17 percent of the managers supervise 20 or more employes.

When you reach the $30,000-to-$40,000 salary range, there were only two managers who didn't supervise employes. Both earn more than $35,000. Conversely, a senior vice president in an east coast financial institution supervises 300 employes while earning $38,000. The number of employes generally increases as the salary goes up. In this range, 18 percent of the managers supervise between 20 and 49 employes, and 33 percent supervise more than 50.

The statistics change considerably when a manager starts earning $40,000. Although one MIS consultant with no employes in a central states manufacturing plant earns only $700 less than the director of operations in a central states insurance company with 400 employes, that is the exception rather than the rule. Only 25 percent of the more highly paid managers supervise fewer than 30 employes; 50 percent supervise 31 to 99 employes; and 25 percent supervise more than 100.

Managers earning more than $50,000 generally have a minimum of 50 employes. The only exceptions are a president and a vice president of consulting firms, with 2 and 25 employes and salaries of $50,400 to $60,000, respectively.

— — —

Watch for Part II of the COMPUTER DECISIONS salary survey in next month's issue. You'll find out more about salary and dp budget, the implications of job-hopping, the relationship of salary increases to the 1978 Presidential guidelines, what it takes to make dp managers move. . .and more.

Very few dp departments today have large staffs. In the respondents' organizations, well over half have staffs of 10 employes or fewer, though 10 percent have more than 50 dp specialists.

Well over half of survey respondents hope to be earning between $40,000 and $69,000 in managerial positions by the time they retire from dp operations. And a substantial number set their ultimate goal more generously—at $100,000 or more.